

## Employees' Intention to Leave Job: The Case of Micro Finance Institution

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### Abstract

The main purpose of this study is to examine the factors that influence the employee's intention to leave the current job. A descriptive survey design was conducted and primary data were collected by using questionnaire. The study was based on random sampling; a sample of 200 was drawn from the employees who work in different micro finance institutions in Nepal. For the data analysis percentage analysis and chi square-test were used. The study revealed that salary, working condition, career growth, supervisor behavior and outstation influence the job quitting process. The study also defined the association between the reasons for leaving job such as salary, working condition, career growth supervisor behaviour & outstation and satisfaction, time spent in the organisation, training & development facility, frequency of changing job & encourage from immediate boss. This study establishes the importance of intentions of employees to quit job and provides further evidence in revealing the intentions to quit among the employees.

Keywords : Turnover, Retention, Job, Reasons, Microfinance, Intention

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## 1. Introduction

Managers in microfinance institutions are focusing the human as an intellectual capital and implementing policies, strategies and processes to satisfy them. They know human resource is prepared through different human resources practices such as, appropriate remuneration packages, training and development, work life balance ,flex working hours, flex places, good working environment, effective communication so that the employee feels comfortable, which helps to retain employee in current organisation and minimize employees turnover. Generally employee turnover is the proportion of a firm's workforce that leaves the job cause of different factors during the course of a year.

Large numbers of factors that seem to be repeatedly associated to employee turnover in micro finance institutions in Nepal. Turnover intention is one's behavioural intention to quit. The turnover intention among microfinance employees refers to the conscious and deliberate effort of the employees to leave the microfinance institution. Employee turnover occurs when employees leave/quit their jobs. The number of employees that leave the organisation largely determined by pay, promotion, the work itself, working condition, tenure, satisfaction, encourage from immediate boss, work load and salary, training and development, behaviour of supervisor, out station and career growth.

Employee turnover has become a worldwide issue that has puzzled organizations, researchers and practitioners for years. Currently, employee turnover permeates most of the organizations in both developed and developing countries [Tariq, 2013]. Employee turnover can be conceptualized in terms of dif-

ferent categories which include: demographic (e.g. gender, age, educational level), occupational (e.g. skill level, experience, tenure, status), organizational related factors (e.g. firm size, industry, job content, working environments, style of leadership, type of organizational structure, pay scale, reward, advancement opportunity, job security and job involvement [CIPD, 2011]).

Some employee may leave their job because of lack of freedom while they work. However, even with the widespread recognition of the importance of facilitating the relationship between job satisfaction and motivation in facilitating organizational commitment, there are varying perspectives on the means of doing this. The earliest strategy is to use wage increases to link job satisfaction and motivation to organizational commitment [Ellickson, 2002]. In the words of Asad, Jorge and Bhupesh Kumar in their study on employee' intentions to resign from job in luxury hotels in India where they considered two aspects: firstly, the employees' enthusiasm for the profession and organization, the nature of the work and its impact on social and family life and Secondly, their level of satisfaction with the job in terms of organizational loyalty, relationship with supervisors, job security, earnings and additional benefits. They suggested that when considering intentions to resign from the job, a negative relationship is found between professional and organizational enthusiasm and perceptions about the work being stimulating. No support was found for a positive relationship between the extent work impacted social and family life and the intention to quit. However, results supported the notion that the employees' organizational loyalty has a negative effect on their intention to resign from the job [Asad Mohsin, 2013].

Training is crucial and fruitful for both employee and organizational improvement. Employee training provides prospects to employees broaden their knowledge and capacities. When employees attended to training programs, they achieve self-confidence to perform their jobs, they observe career development opportunities and they think that companies make investment in them. As result of this positive situations, employee satisfaction increases. Many authors claim that job training is an important predictor of employee positive attitudes [Schmidt, 2007]. Milne reported that rewards and recognition are two useful tools that are applied in different organizations to appreciate the hardworking employees for their job performance and for their effective contribution to the overall organization's achievement. The extrinsic rewards are those that the employees receive from their organizations as a kind of gratitude and appreciation of their excellent performance. Extrinsic rewards can be offered in different forms such as promotion opportunities or outstanding performance appraisal [Milne, 2007]. The employee turnover also creates negative influence to the organization's performance if the management cannot be fully aware and manage in terms of work load of employees. The decision to leave of one employee may cause pressure and bad emotional effect to the remaining employees since they may feel stressful about the workload or think that the company may in unstable status [Beardwell, 2014].

Most of the scholars emphasized that the lack of job satisfaction led to think about quitting current job. According to Chan M. Hellman on the study on Job Satisfaction and Intent to Leave, concluded that the relation-

ship between job satisfaction and intent to leave was significantly different from zero and consistently negative. Furthermore, across levels of job satisfaction, employees from a large U.S. federal agency were less likely than employees within the private sector to leave the organization. Subsequent analyses on the federal agency studies showed that career stage indicators (age and tenure) moderated the relationship between job satisfaction and intent to leave [Hellman, 1997].

The experience of job related stress, factors that lead to job related stress, lack of commitment in the organisation; and job dissatisfaction make employees to quit [Hassan, 2016]. The job satisfaction and organizational commitment has organic relationship with intention to leave organization and profession, and these two phenomena relate to intention to leave consistently through almost all determinants and outcomes. The study suggested that by intentionally bringing satisfiers and commitment stimulators, organizations can benefit by controlling or eliminating such intentions totally, as they have dangerous effects on individual and organizational performance. [Halwai, 2014]. One study from Pakistan tried to fill up gap by exploring the turnover intentions of female employees in the commercial banks of Faisalabad, Pakistan. Intent to quit has been tested empirically for its association with work-to-family conflict and family-to-work conflict. The analysis proved that intent-to-quit is positively and significantly associated with work-to-family conflict and family-to-work conflict [Saira Ajaz, 2015].

Inefficient organizations have a high level of staff turnover [Tziner, 1996]. Therefore, in different situations where organizations are not stable, employees tend to quit and look

for stable organisations because with stable organisations they would be able to predict their career advancement. The imposition of a quantitative approach to managing the employees led to dissatisfaction of staff and hence it leads to labour turnover. Therefore management should not use quantitative approach in managing its employees [Morrell, 2004]. In the case of academic institution, pay and supports were significant and negatively related to faculty intention to quit behaviour in any condition. However, the relationship of job security and faculty intention to quit depends on control variables [Joarder et al., 2015]. If high performers are insufficiently rewarded, they quit. If jobs provide adequate financial incentives the more likely employees remain with organization and vice versa. There are also other factors which make employees to quit from organisations and these are poor hiring practices, managerial style, lack of recognition, lack of competitive compensation system in the organisation and toxic workplace environment [Griffeth, 2000].

More factors contribute to high employee turnover in the sense that there is no proper management practices and policies on personnel matters hence employees are not recruited scientifically, promotions of employees are not based on spelled out policies, no grievance procedures in place and thus employees decides to quit. There is a crucial need to have more comprehensive studies on the factors that influence the intention to quit among micro finance employees. The results of this study will give a new perspective to the findings of the previous studies on the issue of intention to quit of the micro finance employees. The significance of this study was to extend or contribute to the existing knowledge of employee turnover in the micro finance industry. The

main purpose of this research is to explore the factors influence the intention to quit among micro finance employees in Nepal. The study also examined the relationships between reasons for leaving job and time spent in current organization, work load and salary, training and development, encourage from immediate boss, frequency of changing jobs and satisfaction. Therefore, research on intention to quit job can help the organization to identify main factors that can contribute to the turnover intention and rate of turnover. Based on finding of study an organization can make remedy action in order to create favourable working conditions that can enhance the rate of retention and minimize the job leaving phenomena.

## 2. Methods

This study was based on the descriptive and exploratory research design. Total 200 respondents were selected through simple random sampling technique. Questionnaire was administered for collecting data. For the data analysis percentage analysis and chi square-test were used.

### 2.1 Result and Discussion

The reasons for quitting job such as low salary, bad working condition, low career growth, supervisors behaviour, out station and job switching factors such as satisfaction from the job, encourage from immediate boss, work load and salary, training and development facility, time spent on previous job were analysed. Also the association between reasons for leaving job and time spent in current organisation, work load and salary, training and development facility, satisfaction, encourage from

〈Table 1〉 Job Switching Factors

Variables	Group	Frequency	Percentage
Satisfaction	Fairly satisfaction	64	32
	Dissatisfaction	28	14
	Satisfied	98	49
	Completely satisfied	10	5
Encourage from immediate boss	Not at all	19	9.5
	Sometimes Yes	96	48
	Always	65	32.5
	Usually not	13	6.5
	Neutral	7	3.5
Work load and salary	Yes	58	29
	No	142	71
Training and development facility	Yes	152	76
	No	48	24
Time spent on previous job	Before 3 months	16	8
	3 ~ 6 months	26	13
	7 ~ 12 months	43	21.5
	13 ~ 24 months	13	6.5
	2 ~ 3 years	23	11.5
	4 ~ 5 years	8	4
	Over 6 years	5	2.5
	First job	66	33
Frequency of changing job	0	66	33
	1	62	31
	2	52	26
	3	15	7.5
	4	4	2
	5	1	0.5

Source: Field survey 2019.

immediate boss & frequency of changing job were tested.

According to field data, 32% were fairly satisfied with their job, 14% were dissatisfied from their job, 49% were satisfied from their job and 5% were completely satisfied from their job. Similarly, 9.5% were not getting encouragement from immediate boss, 48.0% were getting some level of encouragement, 32.5% were regularly getting encouragement, 6.5% were usually not encouraged by their immediate boss and 3.5% were neutral about it. The field data also revealed that 29% felt that

there was perfect match between work load and salary, whereas 71% were not satisfied with work load and salary. The field data also showed that 76.0% of respondents were getting training development facility and 24.0% were not getting training and development facility. Whereas 8.0% left their previous job before 3 months, 13.0% left in between 3~6 months, 21.5% left their previous job in between 7~12 months, 6.5% left their previous job in between 13~24 months, 11.5% left their previous job in between 2~3 years, 4.0% left their job in between 4~5 years, 2.5% worked

for over 6 years in their previous job and 33.0% were doing their first job similarly 33.0% haven't changed their job, 31.0% have changed their job 1 time, 26% changed their job 2 times, 7.5% changed their job 3 times, 2.0% changed their job 4 times and 0.5% changed their job 5 times. The result reveals that the majority of respondents were satisfied from their job but there was a room for dissatisfaction, employees were getting some level of encouragement but they were expecting more encouragement from their boss in regular basis, employees were feeling discomfort with work load and salary, majority were getting training and development facility, minimum number of respondents were working long term in a single

organisation, and there was high frequency in changing job.

The data depicts that 51.0% of respondents were strongly agree, 30.5% were agree, 10.5% were neutral, 5.5% were disagree and 2.5% were strongly disagree with their salary. Similarly, 24.0% were strongly agree, 46.0% were agree, 14.5% were neutral, 10.51% were disagree and 5.0% were strongly disagree with their working condition. According to data, 29.0% were strongly agree, 49.0% were agree, 14.5% were neutral, 5.5% were disagree and 2.0% were strongly disagree with their career growth in current organisation. Whereas 14.0% were strongly agree with the behaviour of supervisors, 49.0% were agree, 25.5% were

<Table 2> Reasons for Leaving Previous Job

Factors	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
	No.	%	No.	%	No.	%	No.	%	No.	%
Salary	102	51	61	30.5	21	10.5	11	5.5	5	2.5
Working condition	48	24	92	46	29	14.5	21	10.5	10	5
Career growth	58	29	98	49	29	14.5	11	5.5	4	2
Supervisors behaviour	28	14	98	49	51	25.5	16	8	7	3.5
Out station	27	13.5	99	49.5	54	27	12	6	8	4

Source: field survey 2019.

<Table 3> Association between Reasons for Leaving Job and Time Spent in Current Organisation, Work Load and Salary and Training and Development Facility

Reasons	Pearson Chi square (Time spent in current organisation)			Pearson Chi square (work load and salary)			Pearson Chi square (Training and development facility)		
	Value	df	Asymp. Sig. (2-sided)	Value	df	Asymp. Sig. (2-sided)	Value	df	Asymp. Sig. (2-sided)
Salary	29.639a	16	.020	4.410	4	.353	9.026	4	.060
Working condition	33.069a	16	.007	3.057	4	.548	8.314	4	.081
Career growth	37.222a	16	.002	1.979	4	.740	7.317	4	.120
Supervisors behaviour	24.433a	16	.080	3.130	4	.536	11.757	4	.019
Out station	21.077a	16	.176	3.615	4	.461	3.968	4	.410

Source: Field survey 2019.

neutral, 8.0% were disagree and 3.5% were strongly disagree. For the outstation working area, 13.5% were strongly agree, 49.5% were agree, 27.0% were neutral, 6.0% were disagree and 4.0% were strongly disagree. The above table reveals that the employees getting satisfactory salary from their organisation, majority were agreed for working condition, employees always looking for career growth opportunity in the job, the support from supervisor plays the major role in the organisation and out station job also influence the leaving process.

The computed value of Chi-square statistic between times spent in current organisation and reasons for leaving job is compared with table value for 5% level of significance. Since the calculated value for salary ( $0.05 > 0.020$ ), working condition ( $0.05 > 0.007$ ) and for career growth ( $0.05 > 0.002$ ) is less than the table value and for supervisor behaviour ( $0.05 < .080$ ) and for out station ( $0.05 < .176$ ) is higher than the table value. Similarly for work load & salary and reasons for leaving job, since the calculated value for salary is ( $0.05 < .353$ ), for bad working condition ( $0.05 < .548$ ), for career growth ( $0.05 < .740$ ), for supervisor behaviour ( $0.05 < .536$ ) and for out station ( $0.05 < .461$ ) is

higher than the table value. For training and development facility and reasons for leaving job, the calculated value for salary ( $0.05 < .060$ ), for working condition ( $0.05 < .081$ ), for career growth ( $0.05 < .120$ ) and for out station ( $0.05 < .410$ ) is higher than the table value and for supervisor behaviour ( $0.05 > 0.019$ ) is less than the table value. So there was significant relationship between time spent in current organization and salary, working condition & career growth of employees and not significant relationship supervisor's behaviour and out station. Similarly, there was not significant relationship between work load & salary, and reasons for leaving jobs. As well as there was not significant relationship between training and developments and salary of employees, working condition, career growth and out station of job and significant relation with supervisor behaviour.

The computed value of Chi-square statistic between satisfaction and reasons for leaving job is compared with table value for 5% level of significance. Since the calculated value for salary ( $0.05 > 0.000$ ), for working condition ( $0.05 > 0.001$ ) is less than the table value and for career growth ( $0.05 < 0.071$ ), for supervisor behaviour ( $0.05 < .137$ ) and for out station

<Table 4> Association between Reasons for Leaving Job and Satisfaction, Encourage from Immediate Boss, Frequency of Changing Job

Reasons	Pearson Chi square(satisfaction)			Pearson Chi square(Encourage from immediate boss)			Pearson Chi square (frequency of changing job)		
	Value	df	Asymp. Sig. (2-sided)	Value	df	Asymp. Sig. (2-sided)	Value	df	Asymp. Sig. (2-sided)
Salary	42.287 <sup>a</sup>	12	.000	37.169 <sup>a</sup>	16	.002	28.430 <sup>a</sup>	24	.242
Working condition	32.894 <sup>a</sup>	12	.001	34.227 <sup>a</sup>	16	.005	60.431 <sup>a</sup>	24	.000
Career growth	19.793 <sup>a</sup>	12	.071	30.050 <sup>a</sup>	16	.018	49.535 <sup>a</sup>	24	.002
Supervisors behaviour	17.350 <sup>a</sup>	12	.137	18.476 <sup>a</sup>	16	.297	41.931 <sup>a</sup>	24	.013
Out station	14.765 <sup>a</sup>	12	.255	27.199 <sup>a</sup>	16	.039	32.136 <sup>a</sup>	24	.124

Source: Field survey, 2019.

(0.05 < .255) is higher than the table value. Similarly encourage from immediate boss and reasons for leaving job were compared. Since the calculated value for low salary (0.05 > .002), for working condition (0.05 > .005), for career growth (0.05 > .018) and for out station (0.05 > .039) is less than the table value and for supervisor behaviour (0.05 < .297) is higher than the table value. And for the frequency of changing job and reasons for leaving job, the calculated value for salary (0.05 < .242) & for out station (0.05 < .124) is higher than the table value and for working condition (0.05 > .000), for career growth (0.05 > .002), for supervisor's behaviour (0.05 > .013) is less than the table value. So there was significant relationship between satisfaction and salary & working condition and not significant relationship with career growth, supervisor's behaviour and out station for employees. Similarly there was significant relationship between encourage from immediate boss and salary, working condition, career growth & out station and not significant relationship with supervisor's behaviour. In the same way there is not significant relationship between frequency of changing job and salary & out station and significant relation with working condition, career growth & supervisors behaviour.

### 3. Conclusion

The intention to quit from job is an important area of research for the companies, government, HR experts. This study proposes thoughtful and precautionous use of satisfiers and boosters, which can be utilized in order to diminish the risk and expected harm from bad intentions like planning to leave. The present study provides further evidence in re-

vealing the intentions to quit among the employees. Employees getting satisfactory salary from their organisation, agreed for current working condition, always looking for career growth opportunity, regular support from supervisor, and out station job influence the job quitting process. It also reveals that there was a room for dissatisfaction, expecting more encouragement from their boss, feeling discomfort with work load and salary, training and development facility requires to develop themselves. Minimum number of employees was working long term in a single organisation, and there was high frequency in changing job.

Likewise, the reasons for leaving job such as salary, working condition & career growth of employees were relates with time spent in the organisation and not relates with supervisor's behaviour & outstation. Similarly, the reasons for leaving jobs recite with work load & salary. As well as training and developments facility has no any connection with salary, working condition, career growth and out station and has strong connection with supervisor behaviour. In the same way, satisfaction level of employees relates with salary & working condition and not relates with career growth, supervisor's behaviour and out station. Also, encourage from immediate boss supports salary, working condition, career growth & out station and not support supervisor's behaviour. Moreover, frequency of changing job was determined by working condition, career growth & supervisor's behaviour whereas there was no any effect of salary & out station.

For managers who are concerned about the impact of intention to quit and possible turnover, these factors over which they have some control and can be adjusted. This may reduce



intention to quit, and subsequent turnover, therefore it helps the microfinance institutions to reduce a considerable amount of financial cost and effort involved in recruitment, induction and training activities.

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